

**Pizza Ranch**  
**Pro Forma Income Statement**  
**Year 1**

			% Sales
<b>Revenue:</b>			
Gross Sales		\$1,260,000.00	
Tips		\$63,000.00	
Less:	Sales Returns and Allowances	\$1,260.00	
<b>Net Sales</b>		<u>\$1,321,740.00</u>	100
<b>Cost of Goods Sold:</b>			
Beginning Inventory		\$0.00	
Add:	Purchases	\$600,000.00	
	Direct Labor	\$180,000.00	
	Indirect Expenses	\$3,000.00	
		<u>\$783,000.00</u>	
Less:	Ending Inventory	<u>\$41,500.00</u>	
<b>Cost of Goods Sold</b>		<u>\$741,500.00</u>	56.1
<b>Gross Profit (Loss)</b>		<u>\$580,240.00</u>	43.9
<b>Expenses:</b>			
Advertising		\$37,800.00	
Charitable Contributions		\$600.00	
Commissions/Tips		\$50,400.00	
Contract Labor		\$750.00	
Credit Card Fees		\$4,095.00	
Depreciation		\$14,000.00	
Franchise Fees		\$23,210.00	
Income Taxes		\$29,760.00	
Insurance Expense		\$15,692.00	
Interest Expense		\$4,000.00	
Maintenance		\$500.00	
Miscellaneous		\$350.00	
Mortgage (Building/Land)		\$85,500.00	
Office Expenses		\$400.00	
Payroll Taxes		\$31,000.00	
Permits and Licenses		\$200.00	
Postage		\$25.00	
Professional Fees		\$75.00	
Property Taxes		\$6,700.00	
Supplies Expense		\$700.00	
Repairs		\$750.00	
Telephone/Internet/Cable		\$1,980.00	
Travel		\$7,560.00	
Utilities		\$7,500.00	
Vehicle Expenses		\$7,000.00	
Wages		<u>\$160,400.00</u>	
<b>Total Expenses</b>		<u>\$490,947.00</u>	37.1
<b>Net Operating Income</b>		<u>\$89,293.00</u>	
<b>Other Income:</b>			
Gain (Loss) on Sale of Assets		\$0.00	
<b>Total Other Income</b>		<u>\$0.00</u>	
<b>Net Income (Loss)</b>		<u>\$89,293.00</u>	6.7